
Medicare

Carriers Manual

Part 3 - Claims Process

Department of Health and Human
Services (DHHS)
HEALTH CARE FINANCING
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This revision manualizes Program Memorandum AB-00-02, Change Request 901, dated February 2000.

<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
Table of Contents – Chapter III	3-1 – 3-1.1 (2 pp.)	3-1 – 3-1.1 (2 pp.)
3011-3011 (Cont.)	3-16.9 - 3-16.10 (2 pp.)	----

MANUALIZATION--EFFECTIVE DATE/IMPLEMENTATION DATE: *Not applicable*

Section 3011, Durable Medical Equipment Regional Carrier (DMERCs)—Pre-Discharge Delivery of DMEPOS for Fitting and Training, provided DMERCs instructions on how to handle pre-discharge delivery of DMEPOS while a beneficiary is an inpatient.

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

These instructions should be implemented within your current operating budget.

CHAPTER III
CLAIMS, FILING, JURISDICTION
AND DEVELOPMENT PROCEDURES

	<u>Section</u>
<u>Filing the Request for Payment</u>	
Definition of a Claim.....	3000
Splitting Claims for Processing.....	3000.1
Replicating Claims for Processing.....	3000.2
Filing Part B Claims for Physicians' and Suppliers' Services.....	3001
Claims Forms	3002
Acceptability of Photocopies.....	3003
Time Limitation on Filing Part B Reasonable Charge and Fee Schedule Claims.....	3004
Extension of Time Limitation for Filing Part B Claims on Charge Basis Because of Administrative Error.....	3004.1
Time Limitation on Claims for Outpatient Physical Therapy or Speech Pathology Services Furnished by Clinic Providers.....	3004.2
Incomplete or Invalid Claims	3005
Claims Processing Terminology.....	3005.1
Handling Incomplete or Invalid Claims.....	3005.2
Data Element Requirements Matrix.....	3005.3
Data Element Requirements.....	3005.4
Bills Involving Medical Assistance Recipients.....	3006
Execution of Request for Payment on Behalf of an Incompetent Person or Under a Power of Attorney (P/A).....	3008
Contractor Millennium Contingency Plan	3009
Millennium Ready Free Billing Software	3009.1
Durable Medical Equipment Regional Carrier (DMERC) Billing Procedures.....	3010
Durable Medical Equipment Regional Carrier (DMERCs)—Pre-Discharge Delivery of Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) For Fitting and Training.....	3011

Electronic Data Interchange

Electronic Data Interchange Security, Privacy, Audit, and Legal Issues.....	3021
Contractor Data Security and Confidentiality Requirements.....	3021.1
EDI Audit Trails.....	3021.2
Security-Related Requirements for Subcontractor Arrangements With Network Services.....	3021.3
Electronic Data Interchange (EDI) Enrollment Form.....	3021.4
Information Regarding the Release of Medicare Eligibility Data.....	3021.5
New Policy on Releasing Eligibility Data.....	3021.6
Advise Your Providers and Network Service Vendors.....	3021.7
Network Service Agreement.....	3021.8
Maintaining a Directory of Electronic Billing Vendors.....	3022
Requirements for Electronic Data Interchange (EDI).....	3023
Telecommunications Systems and Methods	3023.1
EDI System.....	3023.2
EDI Testing and Verification.....	3023.4
Technical Requirements.....	3023.5
Data Sets and Formats for Electronic Media Claims and Electronic Remittance Advice.....	3023.6
Technical Assistance for EDI Trading Partners.....	3023.7
Software and Hardware Requirements	3024
Prohibition of Exclusive Use of Proprietary Software	3024.1
Personal Computer (PC) Software.....	3024.2
Hardware.....	3024.3

CHAPTER III
CLAIMS, FILING, JURISDICTION
AND DEVELOPMENT PROCEDURES

Section

Electronic Media Claims

Medicare Standard PC-Print-B Software.....	3024.4
Medicare Part B Standard Paper Remittance Notice	3024.5
Support of Non-Millennium Electronic Formats	3024.6
National Standard Format Maintenance Procedures	3025
National Standard Format Change Request Procedures.....	3025.1
Request for Medicare Payment - Negotiated Rate for Laboratory Services	3026
Filing Claims for Nonassigned Services.....	3040
Submitted Bills - No Form HCFA-1490S.....	3040.1
Received Bill - Definition.....	3040.2
Processing Claims for Services of Participating Physicians or Suppliers.....	3040.3
Processing Mandatorily Assigned Claims for Services/Supplies of Certain Practitioners/Suppliers.....	3040.4
Physician and Supplier Billing Requirements for Services Furnished on or After 09/01/90	3041
Form HCFA-1490S Claims for Services on or After 9/1/90.....	3042
Obligation of Physician or Supplier to Bill for Services Which Are Not Covered.....	3043
Effect of Beneficiary Agreements Not to Use Medicare Coverage.....	3044
Private Contracts Between Beneficiaries and Physicians/Practitioners	3044.1
General Rules of Private Contracts	3044.2
Effective Date of the Opt Out Provision.....	3044.3
Definition of Physician/Practitioner.....	3044.4
When a Physician or Practitioner Opts Out of Medicare	3004.5
When Payment May be Made to a Beneficiary for Service of an Opt Out Physician or Practitioner.....	3044.6
Definition of a Private Contract.....	3044.7
Requirements of a Private Contract	3044.8
Requirements of the Opt Out Affidavit.....	3044.9
Failure to Properly Opt Out	3044.10
Failure to Maintain Opt Out	3044.11
Actions to be Taken in Cases of Failure to Maintain Opt Out.....	3044.12
Physician or Practitioner Who Has Never Enrolled in Medicare	3044.13
Non-Participating Physicians or Practitioners Who Opt Out of Medicare	3044.14
Excluded Physicians and Practitioners.....	3044.15
The Relationship Between This Provision and Medicare Participation Agreements	3044.16
Participating Physicians and Practitioners	3044.17
Physicians or Practitioners Who Choose to Opt Out of Medicare	3044.18
Relationship to Non-Covered Services.....	3044.19
Maintaining Information on Opt Out Physicians.....	3044.20
Informing Managed Care Plans Who the Opt Out Physicians or Practitioners Are.....	3044.21
Informing the National Supplier Clearinghouse (NSC) Who the Opt Out Physicians or Practitioners Are	3044.22
Organizations that Furnish Physician or Practitioner Services	3044.23
The Difference Between Advance Beneficiary Notices (ABN) and Private Contracts	3044.24
Private Contracting Rules When Medicare is the Secondary Payer.....	3044.25
Registration and Identification of Physicians or Practitioners Who Opt Out	3044.26
System Identification.....	3044.27
Emergency and Urgent Care Situations	3044.28

3011. DURABLE MEDICAL EQUIPMENT REGIONAL CARRIERS (DMERCS)—PRE-DISCHARGE DELIVERY OF DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, AND SUPPLIES (DMEPOS) FOR FITTING AND TRAINING

The following clarifies HCFA policy and billing procedures regarding the circumstances under which a supplier may deliver durable medical equipment, prosthetics, and orthotics—but not supplies—to a beneficiary who is in an inpatient facility that does not qualify as the beneficiary's home.

Conditions That Must Be Met:

In some cases, it would be appropriate for a supplier to deliver a medically necessary item of durable medical equipment (DME), a prosthetic, or an orthotic—but not supplies—to a beneficiary who is an inpatient in a facility that does not qualify as the beneficiary's home. HCFA will presume that the pre-discharge delivery of DME, a prosthetic, or an orthotic (hereafter "item") is appropriate under the following conditions:

1. The item is medically necessary for use by the beneficiary in the beneficiary's home.
2. The item is medically necessary on the date of discharge, i.e., there is a physician's order with a stated initial date of need that is no later than the date of discharge for home use.
3. The supplier delivers the item to the beneficiary in the facility solely for the purpose of fitting the beneficiary for the item, or training the beneficiary in the use of the item, and the item is for subsequent use in the beneficiary's home.
4. The supplier delivers the item to the beneficiary no earlier than two days before the day the facility discharges the beneficiary.
5. The supplier ensures that the beneficiary takes the item home, or the supplier picks up the item at the facility and delivers it to the beneficiary's home on the date of discharge.
6. The reason the supplier furnishes the item is not for the purpose of eliminating the facility's responsibility to provide an item that is medically necessary for the beneficiary's use or treatment while the beneficiary is in the facility. Such items are included in the Diagnostic Related Group (DRG) or Prospective Payment System (PPS) rates.
7. The supplier does not claim payment for the item for any day prior to the date of discharge.
8. The supplier does not claim payment for additional costs that the supplier incurs in ensuring that the item is delivered to the beneficiary's home on the date of discharge. The supplier cannot bill the beneficiary for redelivery.
9. The beneficiary's discharge must be to a qualified place of service, e.g., home, custodial or facility, but not to another facility (e.g., inpatient or skilled nursing.) that does not qualify as the beneficiary's home.

Date of Service for Claims Processing:

For DMEPOS, the general rule is that the date of service is equal to the date of delivery. However, the rule for pre-discharge delivery of items is that the date of service is equal to the date of discharge. The following three scenarios demonstrate both the latter rule (when the date of service is the date of discharge) and exceptions thereunto.

1. If the supplier leaves the item with the beneficiary two days prior to the date of discharge, and if the supplier, as a practical matter, need do nothing further to effect the delivery of the item to the beneficiary's home (because the beneficiary or a caregiver takes it home), then the date of discharge is deemed to be the date of delivery of the item. Such date must be the date of service for purposes of claims submission. (This is not an exception to the general DMEPOS rule that the date of service must be the date of delivery. Rather, it recognizes the supplier's responsibility—per condition five above—to ensure that the item is actually delivered to the beneficiary's home on the date of discharge.) No one may bill for the days prior to the date of discharge.

2. If the supplier fits the item to the beneficiary, or trains the beneficiary in its use while the beneficiary is in the facility, but thereafter removes the item and subsequently delivers it to the beneficiary's home, then the date of service must be the date of actual delivery of the item, provided such date is not earlier than the date of discharge.

3. If the supplier leaves the item at the facility and the beneficiary does not take the item home, or a third party does not send it to the beneficiary's home, or the supplier does not otherwise (re)deliver the item to the beneficiary's home on or before the date of discharge, the date of service must not be earlier than the actual date of delivery of the item, i.e., the actual date the item arrives, by whatever means, at the beneficiary's home.

Facility Responsibilities During the Transition Period:

1. A facility remains responsible for furnishing medically necessary items to a beneficiary for the full duration of a beneficiary's stay. The DRG and PPS rates cover such items.

2. A facility may not delay furnishing a medically necessary item for the beneficiary's use or treatment while the beneficiary is in the facility. A facility may not prematurely remove a medically necessary item from the beneficiary's use or treatment on the basis that a supplier delivered a similar or identical item to the beneficiary for the purpose of fitting or training.

3. A facility may not, through a stratagem of relying upon a supplier to furnish such items, improperly shift its costs for furnishing medically necessary items to a beneficiary who is a resident in the facility to Medicare Part B.

Nevertheless, beginning two days before the beneficiary's discharge, a facility may take reasonable actions to permit a supplier to fit or train the beneficiary with the medically necessary item that is for subsequent use in the beneficiary's home. These actions may include the substitution of the supplier-furnished item, in whole or in part, for the facility-furnished item during the beneficiary's last two inpatient days provided the substitution is both reasonable and necessary for fitting or training and the item is intended for subsequent use at the beneficiary's home.

4. For prosthetic and orthotic (P&O) items, the above restrictions apply to residents in a covered Part A stay. For DME, the above restrictions apply in a covered Part A or a Part B stay.